September 25, 2020

House Human Services Committee
via email to Courtney DeBower, assistant committee clerk, at Courtney.DeBower_HC@house.texas.gov

Re: Interim Charge 5- Medicaid reimbursements for nursing facilities and other related issues

Chairman Frank,

On behalf of AARP Texas, I very much appreciate the opportunity to provide comments to the committee on this charge. Outlined below are recommendations regarding nursing home payment and quality. Also included are some lessons from early research on COVID-19 care in nursing homes that may inform changes needed to the current nursing home model.

For many years AARP has been actively engaged in efforts to improve the quality of care in Texas nursing facilities. Nursing homes are an important option in the long term care continuum. AARP believes for older Texans who need a nursing home level of care, this care should be of the highest quality. Unfortunately, many Texas nursing homes struggle to provide quality care. This was true before COVID-19 and it remains true more than 6 months into COVID-19.

While there have been some improvements in quality measures, notably in the reduction of the inappropriate use of antipsychotic mediation, Texas nursing homes continue to face serious quality-of-care concerns. Although the Medicaid daily rate remains an important aspect of the conversation, it is essential that any discussion of Medicaid nursing home payment consider the full payment Medicaid-participating nursing homes receive.

Background

Undoubtedly, the Texas Medicaid base rate for nursing homes is low. However, it is important to understand that the Medicaid base rate is not what nursing homes in Star+Plus are being paid. In fact, nursing homes have the opportunity to earn additional payments above the base Medicaid rate from several different programs. For nursing homes that are able to earn the additional dollars, these add-on payments can substantially increase the Medicaid daily rate and erase any gap between the facility's operating costs and Medicaid rate.

For example, through the current SFY 2021 Quality Incentive Payment Program (QIPP) program, there is a total of $1.1 billion available for 869 nursing facilities to earn. Participating nursing facilities can net between $23 and $48 per patient day. In addition to QIPP, Star+Plus Managed Care Organizations (MCOs) are required to have alternative payment programs, and payouts to nursing homes through those programs have been substantial. The requirements to earn additional payments and the amount of the payment varies widely across MCOs.

In spite of the significant influx of quality-based payments, Texas nursing homes still struggle to provide quality care. The Star+Plus quality measures in use do not support a comprehensive approach to person-centered care, or advance independent living and recovery principles, including LTSS measures. Nor

does the current program incentivize strong staffing which is key to improving quality. The QIPP program includes incentives to increase staffing but only a small portion of the total dollars are available to reward facilities for meeting enhanced staffing measures. There is a staff rate enhancement program but it is subject to appropriations and is administratively complex to administer.

Quality of Care

Staffing levels are often shown to be tied to quality of care. A study by the Centers for Medicare and Medicaid Services found that facilities with staffing below thresholds of 2.78 hours of aide time and 0.75 hours of RN time had a greater probability of having the worst outcome rates for long-stay patients, including pressure ulcers, skin trauma and weight loss.

- Texas has among the lowest nursing facility total care staffing levels in the country. Only one state, Louisiana, has a lower average hours per resident day (HPRD) for registered nursing (RN) care staff than Texas. Texas' average was 0.2 HPRD. The national average was 0.5.

- Texas requires nursing homes to employ one full-time director of nursing RN, one RN for 8 consecutive hours, 7 days per week and one RN/LPN charge nurse 24 hours, 7 days a week. There is also a minimum requirement of one licensed nursing staff member for every 20 residents or .4 HPRD.

- Texas has an average of 2.8 HPRD for average total care staff. Only one other state, Oklahoma, has a lower average HPRD for total care staff.

- Texas has no minimum staffing requirement for direct care staff. Direct care are typically certified nurse aides. These are the staff that are responsible for providing most of the hands-on care such as bathing, dressing, assistance with toileting and changing incontinence products.

In the 2020 AARP LTSS Score released on September 24, 2020, Texas ranks poorly in several nursing home quality measures.

- Nursing Home residents with Pressure Sores: Texas' rate of pressure sores is 7.6 percent while the best state's rate is 4.8 percent. This places Texas 31st on nursing home residents with pressure sores. Pressure sores are caused by neglect. They typically develop when someone cannot reposition their body over a long period of time.

- Burdensome Transitions: Texas tanked 49th in burdensome transitions which are excessive hospitalizations or other transitions for vulnerable nursing home residents at the end of life. Roughly twice as many Texas nursing home residents experience burdensome transitions (34.0 percent) compared with the top performing state (16.2 percent).

- Nursing Home Hospital Admissions: Texas ranks 44th in hospital admissions from the nursing home with a rate of 19.6 percent. The national average is 16.8 percent and the best state's rate is 4.7 percent. Although Texas has improved on this measure from the previous score card, Texas nursing home residents are more than 4 times as likely to be admitted or readmitted to the hospital as residents in the top state.

- Successful discharge to the community: Texas ranks 41st in successful discharge of nursing home residents to the community with a successful transition rate of 51.4 percent. This means that just over half of Medicare skilled nursing home residents were successfully discharged back to the community. Only Louisiana transitioned substantially fewer than 50 percent. The best state transitioned 68.5 percent.

Recommendations:

Create a strong, cohesive quality management framework for Star+Plus Long Term Care

While the state has taken many steps to further quality of care, the Star+Plus program has made changes incrementally, over time. Therefore it has not had the benefit of an overall comprehensive approach to long term care quality measures, including nursing home quality. The state must develop a strong, cohesive quality management framework for Star+Plus longterm care. Quality incentives must be built into the MCO contract as well as in payments to nursing homes.

- Star+Plus long term care must have an effective quality management program that includes LTSS measures to support quality of life for members and advance community-based long term care. The current quality management approach is fragmented among various programs, including the QIPP, the Medical P4Q program and the Alternative Payment Model Initiative. The quality measures in use do not support a comprehensive approach to person-centered care, or advance independent living and recovery principles, including LTSS measures.

- Evaluate the QIPP program to establish metrics that would incent staffing quality. Staffing has been a challenge for Texas nursing homes and COVID-19 has only exacerbated this issue. More needs to be done to ensure nursing homes are appropriately staff to ensure proper resident care and safety. Given staffing challenges in nursing homes, the state could use QIPP dollars to incent better staffing in facilities. For example, the state may decide to establish incentives for those facilities paying a higher rate of pay to direct care workers or increase the hours per resident day of direct care and RN care. The current QIPP program includes incentives for nursing facilities to increase RN hours but the portion of funds allocated to this measure are too small to serve as a true incentive.

Ideally any changes to nursing facility quality-based payments would be addressed as part of a larger effort to realign the financial incentives within the Star+Plus program to both improve quality and encourage the provision of care in the most cost-effective and least restrictive setting. To this end, comprehensive recommendations regarding Star+Plus have been outlined in AARP's response to Interim Charge 4.

Early Lessons from COVID-19 in Nursing Homes

Even before COVID-19 hit nursing homes, the market was responding to consumer desires to age in place or in a setting that feels as much like home as possible. This is reflected in the overall decline in Texas nursing home occupancy and the rapid growth in assisted living and home-based care options. From 2014 to 2018, the number of assisted living facilities in Texas grew by more than 20 percent and the occupancy increased 15 percent. During this same period, the number of nursing home beds increased by 2.7 percent and occupancy declined by 2 percent. Texas nursing home occupancy averaged

65 percent pre-COVID-19 and it is likely lower now. Consumer demand will likely continue to force the industry to offer alternatives to traditional large-scale nursing facility care. The state can help to encourage and accelerate this shift through regulation and incentives as well as Medicaid policy.

COVID-19 has certainly highlighted some of the challenges with an outdated nursing facility model that focuses on housing groups of frail elders in large congregate settings, often with shared bedrooms. Infection control is not a new issue for nursing homes. Infection control has been the most frequently cited violation in Texas nursing homes for many years, at least since 2015. While the research into lessons learned from COVID-19 is ongoing, below are some initial study findings that point to some common themes related to the spread of COVID-19 in nursing homes.

Nursing Home Staff Employed in Multiple Facilities.

A Cornell University study suggests that eliminating staff linkages between multiple nursing facilities could reduce COVID-19 infections in nursing homes by 44 percent. In addition, a small United Kingdom study published in the *Journal of Infection* found that nursing home staff who worked in more than one facility were three times more likely to have a positive COVID-19 diagnosis than staff working in a single facility.

Texas does not prohibit staff from working in multiple facilities. Some county and municipal governments have prohibited this practice during this public health emergency and the Governor's plan for reopening Texas discourages the practice.

Multiple Resident Room Occupancy/Green House Model.

A Canadian Study of 618 Ontario nursing facilities found that multiple-resident rooms were associated with higher incidence of COVID-19 infection and mortality, which suggests that reduced crowding in nursing homes could prevent future COVID-19 mortality. Supporting this assertion is a June study led by a researcher at the University of North Carolina that found that 95% of nursing homes following the Green House model of care – which are designed for single-occupancy rooms – reported zero cases of COVID-19 among residents or staff.

Texas nursing homes licensed before April 2018 are allowed to have up to 4 residents per room. Facilities licensed after this date are limited to 2 residents per room. Green House nursing homes are designed to be a house-like setting with a max of 12 residents with private bed and bathroom, shared living and dining, and an open kitchen. There are Green House homes in Longview and San Angelo. In addition, the Watkins-Logan Texas State Veterans Home in Tyler is based on a similar small house model.

Nurse Staffing

A June American Geriatrics Society (AGS) study of infections and deaths in Connecticut nursing homes concluded that nursing facilities with higher RN staffing and quality ratings have the potential to better control the spread of the novel coronavirus and reduce deaths. A later AGS study of nursing homes nationwide found that higher nursing assistant and total nursing hours are associated with a lower probability of a larger outbreak and fewer deaths.

As outlined the quality of care section above, Texas has the second lowest average hours per resident day for Registered Nursing care. Only Louisiana was lower. Given Texas' abysmally low staffing levels, the state should review nursing and direct care staffing requirements for nursing facilities, particularly in the context of any increase in Medicaid payment or development of quality-based payments.

While early findings point to important trends related to the spread of COVID-19, it is expected that additional research will help to identify additional factors that led to the severe impact on nursing facility residents and staff. AARP's Public Policy Institute (PPI) is working to compile insights from a comprehensive synthesis of state reports that have examined nursing home care provided during COVID-19, with a specific focus on alternative recommendations and solutions to current nursing home infrastructure and policies. We will share that paper when it is available.

Thank you again for your consideration of our comments. AARP Texas stands ready to serve as a resource to the committee on behalf of older Texans. Please don't hesitate to contact me with any questions.

Sincerely,

Amanda Fredriksen

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